
IV. ADMINISTRATIVE AND PROGRAM EXPECTATIONS

Agencies applying for these funds must have the administrative ability to manage state contract funds and the technical expertise to successfully implement the proposed project activities. It is the experience of CDHS/TCS that some applicants are unfamiliar with state procedures, requirements, and expectations. The following information is provided in order that the prospective applicants might assess their ability to enter into a binding contract agreement with CDHS/TCS.

- Contractors are to expend funds in accordance with the negotiated line item budget. If changes in line items, salary ranges, or staffing patterns need to be made, the contractor must request a budget revision or a contract amendment depending on what in the budget needs to be changed. It is up to the discretion of CDHS/TCS whether or not to approve the requested budget revision or contract amendment.
- Contractors are reimbursed in arrears for actual expenses, which means the agency or individual incurs expenses and is then reimbursed by CDHS/TCS. The contract submits a monthly invoice for expenses incurred in the previous 30 days and then the State has up to 30 days to pay certified small businesses and up to 45 days to pay others. This means that the contract must be able to cover at least 45 to 60 days worth of project payroll, indirect, and operating expenses and any expenses incurred by a subcontractor or consultant prior to reimbursement by the State. Additionally, Contractors are to submit invoices to CDHS/TCS in a timely manner to ensure: 1) prompt payment of expenses; and 2) cash flow maintenance.
- Contractors are expected to contact CDHS/TCS if they are having difficulties implementing the SOW or need to make changes in the approved activities. The agency must be aware that it is legally bound to deliver the services and products as stated in the SOW. This includes serving the number of people identified, conducting the stated number of activities, developing the identified documents, etc. If changes need to be made in the SOW, the contract must contact CDHS/TCS to discuss the issue and request a SOW revision or contract amendment. It is up to the discretion of CDHS/TCS whether or not to approve the request. **If contract deliverables, including Progress Reports, are not completed satisfactorily, CDHS/TCS has the authority to withhold and/or recover payment of funds.**
- Contractors are expected to refer to and comply with the Competitive Grantees Administrative and Policy Manual. This manual is referenced in the contract and, as such, is a contract document. The manual will be made available to successful applicants.
- Contractors are to be knowledgeable of standard payroll practices including State and Federal tax withholding requirements.

- Contractors are to maintain accounting records that reflect actual expenditures including, but not limited to: accounting books, ledgers, documents; payroll records, including signed timesheets, etc.; following standard accounting procedures and practices that properly reflect all direct and indirect expenses related to this contract. These records shall be kept and made available for three (3) years from the date of the final contract payment.
- Contractors are to obtain an annual single organization-wide financial and compliance audit. CDHS/TCS will reimburse the contract for its proportionate share of the audit expense.
- Contractors are required to obtain prior approval from CDHS/TCS before they are reimbursed for any purchase order, subcontract, or consultant agreement costing \$5,000 or more. Three (3) competitive bids are required as well as other documentation of the bid process. This information, along with the proposed subcontract or consultant agreement, must be submitted to CDHS/TCS for approval prior to reimbursement of such expenses.
- Contractors are to have a procedure designating a person within their agency or organization that may sign payroll time sheets, requisitions, and invoices.
- Contractors are to maintain accurate records regarding program implementation, which document the number of people served, materials developed, activities conducted, etc. It is expected that these documentation records may include, but will not be limited to logs, sign-in sheets, meeting minutes, survey and evaluation data, etc. It is recommended that the contract set up documentation files by objective or major activities. Planning minutes, media outreach, and sign-in sheets, etc., should be filed in the objective-specific file as activities are completed.
- Contractors are to have sufficient personnel to submit to CDHS/TCS timely, accurate, and complete progress reports every six (6) months using the forms and format provided by CDHS/TCS.
- Contractors are to have adequate personnel to insure timely submission of accurate invoices and maintain the fiscal integrity of the contract.
- Contractors and all subcontractors should be aware that the State shall be the owner of all rights, title, and interest in, but not limited to, the copyright to any and all works created, produced, or developed under a contract funded from this RFP, whether published or unpublished. Appendix B contains the specific language that will be incorporated into the boilerplate language of the contract funded by CDHS/TCS. If your application is successful, you must comply with the intellectual property rights language. Review Appendix B carefully. Changes to this language will **not** be negotiated at any time during the RFP process nor with the funded applicant.

- Note: Contract terms and conditions will be posted on the following website: <http://www.dhs.ca.gov/tobacco/html/funding.htm>. Changes to this language will not be negotiated during the RFP process nor with the awarded agency.
- Contractors are to be aware that travel and per diem rates must not exceed those amounts paid to State non-represented employees. Additionally, out-of-state travel is not reimbursable without prior written approval by CDHS/TCS. Refer to Appendix H.
- Contractors are expected to hire program and fiscal/administrative staff with the appropriate training and experience to fulfill all program contract related deliverables as well as to fulfill payroll, accounting, and administrative procedures.
- Contractors are to be aware that CDHS/TCS may withhold payment of invoices for lack of documented and/or timely progress, as well as any apparent non-compliance with contract requirements.
- All data sets submitted to CDHS/TCS must be according to the SOW and schedule of submission deadlines. The data sets must be professional quality in an acceptable form and format approved by CDHS/TCS.